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SOURCE Hsin-wen Pao.

CENTRAL CHINA FACTORIES CURTAIL PRODUCTION

The current situation in central China has compelled the limekiln, and mining companies in that region to reduce production. Daily output of the Yuan-hua Coal Mine is between 240 and 300 tons while that of the Li-hua Coal Mine is only 200 tons. Neither equals one third of the prewar production figures.

Lack of finances and raw materials have caused a work stoppage at the Hua-chung Ironworks and the Hua-hsin Cement Factory. Modernized equipment at the latter makes a daily production of 1,000 tons possible. The Southern Hupeh Electric Power Plant has installed three 5,000-kilowatt generators. It is estimated that production will begin by this fall.

Factors contributing to curtailment of production are: diminishing value of the currency, high production costs (three times greater than prewar costs), inconvenience of transportation, falling market, and heavy taxes.

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